

Message Text

CONFIDENTIAL

PAGE 01 YAOUND 04546 261635Z

64

ACTION EB-07

INFO OCT-01 AF-08 ISO-00 AID-05 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 /051 W

----- 012025

R 261500Z NOV 76

FM AMEMBASSY YAOUNDE

TO SECSTATE WASHDC 331

INFO AMEMBASSY ABIDJAN

AMEMBASSY DAKAR

AMEMBASSY LIBREVILLE

AMEMBASSY NAIROBI

AMCONSUL DOUALA BY POUCH

C O N F I D E N T I A L YAOUNDE 4546

DEPT PASS OPIC, EXIM, USDOC

E.O. 11652: GDS

TAGS: EFIN

SUBJECT: CITICORP VISIT

1. CITICORP REPS VERN STOLEN (LIBREVILLE) AND ROBERT E GRANT (NAIROBI) VISITED YAOUNDE NOV 12-13 TO DISCUSS WITH GURC OFFICIALS THE PROPOSED OPENING OF A CITICORP MERCHANT BANK IN CAMEROON (DOUALA). NEGOTIATIONS ON OPENING THE BANK HAVE BEEN UNDERWAY FOR MORE THAN TWO YEARS. PROBLEMS ARE CITICORP'S REQUIREMENT FOR 100 PER CENT OWNERSHIP IN CPKFLICE WITH GURC'S LEGAL REQUIREMENT FOR 35 PER CENT CAMEROONIAN OWNERSHIP. CAMEROONIZATION OF DIRECTOR SLOT AND LACK OF STATUTORY AUTHORITY FOR A MERCHANT BANK ARE ALSO PROBLEMS. DISCUSSIONS WITH MINISTER FINANCE YONDO RESULTED IN CONTINUING IMPASSE. BUT CONTACTS WITH BOUBA BELLO, PRESIDENCY ASST SECT GEN AND LIBOCK OF PRESIDENCY RESULTED IN THEIR PROMISING ATTEMPT TO WORK THINGS OUT.

2. IN ADDITION TO DISCUSSIONS CONCERNING THE BANK, CITICORP
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 YAOUND 04546 261635Z

BROUGHT ALONG A PROPOSAL FOR \$40 MILLION WORTH OF FINANCING

OF GURC HIGH-PRIORITY PROJECTS (TRANSCAM, SONG LOULOU DAM, VICTORIA PORT, OTHERS OF GURC CHOICE). IN EFFECT, CITICORP PROMISES UNDERTAKE SYNDICATION OF THE \$40 MILLION AT FOLLOWING RATES: TERM - FIVE YEARS; INTEREST RATE - LONDON INTERBANK RATE FOR DOLLAR DEPOSITS FOR THREE OR SIX MONTHS PLUS TWO AND ONE QUARTER PER CENT PER YEAR; ENGAGEMENT FEE - 0.75 PER CENT PER YEAR ON UNUSED PORTION; MANAGEMENT FEE - ONE AND ONE HALF PER CENT OF THE TOTAL OF THE LOAN PAYABLE AT TIME OF SIGNING; COMMISSION- \$10,000 PER YEAR FOR DURATION OF LOAN; FUNDS AVAILABLE FOR MAXIMUM OF TWO YEARS; REPAYMENT IN SEVEN SIMI ANNUAL INSTALLMENTS AFTER TWO-YEAR GRACE COUNTING FROM THE DATE OF SIGNING THE LOAN (LAST PAYMENT 60 MONTHS AFTER SIGNING); EARLY REPAYMENT AUTHORIZED UPON WRITTEN NOTICE AT LEAST 30 DAYS IN ADVANCE OF DATE OF PAYMENT AND CREDITED IN REVERSE ORDER TO NORMAL PAYMENTS; ALL PAYMENTS FREE OF TAXES; FRENCH LAW GOVERNS OR IF THOSE COURTS DECLARE THEMSELVES INCOMPETENT, NEW YORK LAW; BORROWER PAYS ALL EXPENSES LEGAL OR OTHERWISE INVOLVED IN THE PREPARATION, THE SIGNING, AND THE EXECUTION OF THE LOAN AND OF THE PLACING MEMORANDUM.

3. TERMS CITED ABOVE WERE TRANSLATED FROM THE FRENCH BY THE E/C OFFICER. THE PROPOSAL IS IN FRENCH.

4. COMMENT: E/C OFFICER HAS HEARD THAT CITICORP HAS MADE SIMILAR DEAL OF THIS TYPE WITH OTHER AFRICAN COUNTRIES, AND WOULD APPRECIATE ANY COMMENTS AS TO RELATIVE STANDING OF PROPOSAL HERE COMPARED WITH OTHER OFFERS.
SPIRO

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: VISITS, NEGOTIATIONS, BANK BRANCHES, PROGRAMS (PROJECTS), INTEREST RATES
Control Number: n/a
Copy: SINGLE
Draft Date: 26 NOV 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: BoyleJA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976YAOUND04546
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760439-1285
From: YAOUNDE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761110/aaaaairq.tel
Line Count: 88
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: BoyleJA
Review Comment: n/a
Review Content Flags:
Review Date: 19 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 MAY 2004 by CunninFX>; APPROVED <13 SEP 2004 by BoyleJA>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CITICORP VISIT
TAGS: EFIN, BTRA, US, CM, CITICORP, (STOLEN, VERN), (GRANT, ROBERT E)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006